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Copy for: Mr. Bruce

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: October 28, 1952

SUBJECT: Danish ships

PARTICIPANTS: Danish Ambassador
Mr. Fisher, of counsel
Mr. Bruce, Acting Secretary
Mr. Barringer - TRC
Mr. Ronhovde - BNA
Mr. English - L/C

COPIES TO: DC/R
Mr. Bruce - U
Mr. Barringer - TRC
Mr. Ronhovde - BNA
Mr. Tate - L
Mr. English - L/C

DEPARTMENT OF STATE A/CDC/MR
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The Ambassador called by appointment to discuss Mr. Bruce's communication addressed to him on October 23, 1952, particularly the last paragraph.

He stated that he was not particularly happy about the first part of the note, since it stated some facts but omitted reference to other important facts. With reference to the proposed offer made by Justice, the Ambassador stated that it was not satisfactory to the Danish Government or the owners in that he did not understand that any fixed sum was mentioned. Mr. English stated that he understood the sum to be $4,000,000. The Ambassador also said that in the light of Treasury ruling, income taxes would be payable on that part of that amount which represented interest allowed for delay in payment.

With reference to the first part of the second sentence of the last paragraph regarding the possibility of an agreed settlement with Justice, the Ambassador inquired whether the statement implied that it was the Department's intention that the negotiations along that line be resumed with Justice. He was assured that that was not the Department's intention.

Mr. Bruce explained orally the reasonswhy it was not feasable to enter into an intergovernmental agreement or for the Department to undertake to sponsor legislation, or to give a commitment more specific than that contained in the last

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paragraph (Bureau of the Budget, Maritime Administration, Justice, and General Accounting Office, as well as the prospective "change in management in government"). The Ambassador indicated that he recognized the difficulties involved, and that he was reconciled to the vehicle of a private bill, which he hoped would receive strong Departmental support.

In reply to the Ambassador's inquiry as to what was meant by "equitable treatment," Mr. Bruce indicated that it was his personal view that it would be at least equal to that accorded the Finnish owners. When the Ambassador stated that that was something less than had been promised (equal to that accorded American owners), Mr. Bruce stated he was not aware that the Finns had not been accorded the latter treatment, and it was his personal view that the Danish owners should be accorded the treatment given American owners. Mr. Bruce made it clear that he was expressing a personal view which was not binding on the incoming administration, but that in one capacity or another he was interested in seeing a prompt settlement and that he would do what he appropriately could to assist. He added that at the appropriate time he would speak to Francis Wilcox, of the Senate Foreign Relations Committee staff, regarding the matter.

It was agreed that merely for the record the Ambassador would reply to the October 23 communication.

There was a general discussion regarding the matter as to when the Danes should approach one or more members of the Congress, and it was the general feeling that this should not be done before early January.

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